

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10801

APPLICATION OF MERRION OIL &
GAS CORPORATION FOR COMPULSORY
POOLING, SAN JUAN COUNTY, NEW
MEXICO.

PRE-HEARING STATEMENT

This prehearing statement is submitted by Merrion Oil & Gas Corporation as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Merrion Oil & Gas Corporation

P.O. Box 840

Farmington, New Mexico 87499

Attn: George Sharpe

505/327-9801

ATTORNEY

Tommy Roberts

P.O. Box 1020

Farmington, New Mexico 87499

505/325-1801

OPPOSITION OR OTHER PARTY

Jack and Mary Markham

(It is not known whether Markham

will oppose this application.)

ATTORNEY

Not known

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with the application and the reasons therefore.)

Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Sand formation underlying the SW/4 of Section 22, Township 30 North, Range 12 West, forming a standard 160-acre gas spacing and proration unit to be dedicated to its Osborn No. 1 well which has been recompleted at a standard gas well location 790 feet from the South line and 900 feet from the West line of Section 22. As of this date, Jack and Mary Markham have not committed their interest to participation in the recompletion operation.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

NOT APPLICABLE TO APPLICANT'S STATEMENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)		EST. TIME	EXHIBITS
1)	Crystal Williams - Landman	15 min.	<ul style="list-style-type: none">- Area Map- Lease Ownership Plat- Written correspondence- Proof of Notice
2)	George Sharpe - Petroleum Engineer	20 min.	<ul style="list-style-type: none">- Wellbore Sketch- Authority for Expenditure- Operating Agreement- Others as may be determined necessary

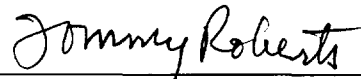
OPPOSITION

WITNESSES (Name and expertise)		EST. TIME	EXHIBITS
NOT APPLICABLE			

PROCEDURAL MATTERS

(Please identify any procedural matters which
need to be resolved prior to the hearing)

NONE

A handwritten signature in cursive script that reads "Tommy Roberts".

TOMMY ROBERTS, Attorney for
Merrion Oil & Gas Corporation

DATED: August 19, 1993

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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CASE NO. 10801

APPLICATION OF MERRION OIL & GAS CORPORATION
FOR COMPULSORY POOLING, SAN JUAN COUNTY,
NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by RODERICK
ALLEN MARKHAM and MANON MARKHAM MCMULLEN, as required by the
Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Merrion Oil & Gas Company
Farmington, New Mexico

ATTORNEY

Tommie Roberts, Esq.
P. O. Box 1020
Farmington, New Mexico 87499
(505) 325-1801
FAX 325-4675

OPPOSITION PARTY

Rod Markham
1500 Broadway, Suite 1212
Lubbock, Texas 79401-3192
(806) 763-5326

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

OPPOSITION PARTY

Roderick Allen Markham and Manon Markham McMullen, as the assignees of Jack and Mary Markham, have the leasehold rights to 4.25% in the Fruitland formation underlying the SW/4 of Section 22, T30N, R12W, San Juan County, New Mexico.

The Markhams request that any pooling order entered by the Division in this case:

(1) limit the costs to be recovered to the Markhams' proportionate share of the recompletion AFE of \$18,120.00; and

(2) deny any risk factor penalty.

In 1961, the subject well was completed in the Mesaverde formation and produced a cumulative total in excess of 2 BCF of gas and has not produced since March, 1987.

In May, 1993, without first attempting to notify the Markhams, Merrion Oil & Gas Company recompleted this well into the Fruitland sand formation. Then, in June, 1993, for the first time, Merrion Oil & Gas Company sent a letter to Rod Markham proposing terms for participation.

Merrion Oil & Gas Company assumed all of the risk when it undertook the recompletion work without first providing the Markhams with an AFE and the opportunity to participate in the recompletion effort.

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PROPOSED EVIDENCE

copies of relevant correspondence and AFE.

OPPOSITION

WITNESSES

EST. TIME

EXHIBITS

None

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin

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Santa Fe, New Mexico 87504

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